

February 13, 2017

Ex Parte Notice

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197; *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 – Q LINK WIRELESS LLC, Petition for Designation as a Lifeline Broadband Provider

Dear Ms. Dortch:

On February 9, 2017, Issa Asad, CEO, Paul Turner, President, and Noha Asad, Vice President, Q Link Wireless LLC (“Q Link”), and I, counsel for Q Link, met with Commissioner Jay Schwarz, Acting Wireline Advisor to the Chairman, regarding Q Link’s Petition for Designation as an Eligible Telecommunications Carrier (“ETC Petition”),¹ as well as its Petition for Designation as a Lifeline Broadband Provider (“LBP Petition”).² We urged that the Commission move forward promptly to grant Q Link’s ETC Petition, which Q Link prefers over designation as an LBP.

Q Link has been awaiting an FCC ETC designation to serve these ten states for the past five years. During that time, Q Link has grown to serve 1.3 million Lifeline households in 27 states, with an unparalleled record for reaching eligible, low-income households. Q Link reaches and enrolls customers in suburban, exurban, and rural areas outside of high-density urban areas.

¹ See Q LINK Wireless’ Fourth Amended Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia, WC Docket No. 09-197 (filed Aug. 26, 2015), as further amended by Letter to Kris Monteith, Acting Chief, Wireline Competition Bureau, from John T. Nakahata, Counsel for Q Link Wireless, LLC (filed Feb. 9, 2017) (“February 9, 2017 Update Letter”).

² See Q LINK WIRELESS LLC Petition for Designation as a Lifeline Broadband Provider, WC Docket Nos. 11-42, 09-197 (filed Sept. 22, 2016) (“LBP Petition”), as further amended by Q LINK WIRELESS LLC Supplemental Information re: Petition for Designation as an LBP, WC Docket No. 09-197 (filed Oct. 12, 2016); Q LINK WIRELESS LLC Supplement re: Petition for Designation as an LBP, WC Docket No. 09-197 (filed Oct. 26, 2016); Q LINK WIRELESS LLC Supplement Re: Petition for Designation as an LBP, WC Docket No. 09-197 (filed Nov. 2, 2016); February 9, 2017 Update Letter.

Eighty-five percent of Q Link's Lifeline customers were new to Lifeline when they subscribed to Q Link. These households are demonstrably in need of support—56 percent are “unbanked.” And as Q Link has added these households, it has undergone 31 USAC or state audits without finding any duplicate or otherwise ineligible household. Q Link is fulfilling the Lifeline's program's goals—and closing the Digital Divide—while avoiding waste, fraud, and abuse.

In a letter filed on February 9, 2017, a copy of which was provided to Mr. Schwarz and is attached hereto, Q Link updated its ETC Petition with respect to the areas within Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, Virginia, and the District of Columbia that Q Link will serve—which excludes all Tribal lands within those jurisdictions.³ Q Link also updated the plans that it plans to offer (and which it already offers in states in which it holds ETC designations) to make clear that it will meet the mandatory minimum requirements.⁴

Most significantly, the February 9, 2017 Update Letter proffers a set of twelve commitments, which could be made a condition of grant of Q Link's ETC Petition, and which, taken together, are a robust set of measures to protect against waste, fraud, and abuse.⁵ These measures are not just hypothetical protections; they have been tested in the 31 USAC or state audits that Q Link has undergone to date, with no finding of a duplicate or otherwise ineligible household. These commitments codify the multilayered enrollment safeguards that Q Link has developed and implemented to avoid single points of failure that could permit fraud. Q Link does not provide any incentive compensation to its employees on Lifeline subscriptions, and does not employ street agents to sign up customers or hand out phones. Q Link dips multiple databases to verify customer identity, address, and, when possible, eligibility. This includes at least three separate NLAD dips. When it is necessary to review physical documents to verify identity or eligibility, those documents undergo three separate reviews to confirm that they adequately confirm identity or eligibility. And Q Link only ships phones to the subscriber's verified home address.

In addition, Q Link noted that five of the ten jurisdictions for which it seeks ETC designation—Connecticut, Florida, New York, North Carolina, and Tennessee—operate state eligibility databases. These states already have automated eligibility verification and are not dependent upon the FCC's completion of the National Verifier.

At this juncture, the Commission should move forward to grant Q Link's ETC Petition. Granting Q Link's ETC Petition would allow it immediately to bring competition to these FCC-designated states—where currently there are only two significant mobile Lifeline providers—and

³ See February 9, 2017 Update Letter at 3. Q Link's ETC Petition has always excluded Tribal lands. That letter also amended Q Link's LBP Petition to limit its scope to Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, Virginia, and the District of Columbia, and to exclude any Tribal Lands.

⁴ See February 9, 2017 Update Letter Attachment A.

⁵ See February 9, 2017 Update Letter Attachment B.

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would make Lifeline much more accessible to qualified households in the rural, exurban, and suburban portions of these states.

Please contact me if there are any questions.

Sincerely,



John T. Nakahata

Counsel to Q Link Wireless LLC

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(202) 730-1320

cc: Jay Schwarz
Nicholas Degani
Claude Aiken
Amy Bender
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Attachment

February 9, 2017

Ex Parte

Ms. Kris Monteith
Acting Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197; *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 – Q LINK Wireless’ Fourth Amended Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia; Petition for Designation as a Lifeline Broadband Provider

Dear Ms. Monteith:

Q LINK Wireless, LLC (“Q Link”) submits this letter to modify both its extant Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia (“ETC Petition”), and its Petition for Designation as a Lifeline Broadband Provider¹ (“LBP Petition”) to do the following:

- Limit the LBP Petition to the ten states for which the FCC designates eligible telecommunications carriers (“ETCs”) pursuant to Section 214(e)(6), and to remove any Tribal lands from the scope of that Petition;
- Update the list of plans to be offered pursuant to the ETC Petition to reflect the minimum voice and/or data requirements, as applicable;

¹ See Q LINK Wireless’ Fourth Amended Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia, WC Docket No. 09-197 (filed Aug. 26, 2015); Petition for Designation as a Lifeline Broadband Provider, WC Docket Nos. 09-197 & 11-42 (filed Sept. 22, 2016), as further amended by Q LINK WIRELESS LLC Supplemental Information re: Petition for Designation as an LBP, WC Docket No. 09-197 (filed Oct. 12, 2016); Q LINK WIRELESS LLC Supplement re: Petition for Designation as an LBP, WC Docket No. 09-197 (filed Oct. 26, 2016); Q LINK WIRELESS LLC Supplement Re: Petition for Designation as an LBP, WC Docket No. 09-197 (filed Nov. 2, 2016) (“Nov. 2, 2016 Supplement”).

- Make clear that, to the extent Q Link's ETC Petition, which was filed prior to the Commission's adoption of the *Third Report and Order*,² conflicts with the terms of that Order or any other subsequent changes to the Commission's rules, Q Link will conform its processes to those rules;
- Set forth a specific set of rigorous conditions with respect to both its requests for LBP and ETC designations to prevent the waste, fraud, and abuse problems that the Commission and states have discovered with other Lifeline providers.

Through these modifications, Q Link makes clear that the Commission can act to authorize Q Link to provide Lifeline services in Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, Virginia, and the District of Columbia through either an ETC or Lifeline Broadband Provider ("LBP") process, without any substantial difference to meeting or exceeding the mandatory minimum supported services requirements.³ In either case, the FCC is the jurisdiction granting the designation, as these states have foregone jurisdiction: this in no way usurps the prerogatives of the states. The Commission can also hold Q Link to an enforceable set of requirements to prevent waste, fraud, and abuse that incorporates Q Link's market-leading best practices and that have been tested through, to date, 31 USAC or state audits without finding a duplicate or otherwise ineligible enrollee or household.

Q Link has been awaiting an FCC ETC designation to serve these ten states for the past five years. During that time, Q Link has grown to employ more than 300 people and to serve 1.3 million Lifeline households in 27 states, with an unparalleled record for reaching eligible, low-income households. Q Link reaches and enrolls customers in suburban, exurban, and rural areas outside of high-density urban areas. In those 27 states, Q Link already offers broadband data, the option to obtain a tablet rather than a smartphone, and devices that are all capable of tethering. Q Link has been innovative, introducing Wi-Fi capable smartphones more than two years ago, and it delivers services with high customer satisfaction and the lowest "churn" rates among mobile Lifeline providers. Eighty-five percent of Q Link's Lifeline customers were new to Lifeline when they subscribed to Q Link. These households are demonstrably in need of support—56 percent are "unbanked." And as Q Link has added these households, it has undergone 31 USAC or state audits without finding any duplicate or otherwise ineligible household. Q Link is fulfilling the Lifeline's program's goals while avoiding waste, fraud, and abuse.

The Bureau should move forward immediately to grant Q Link's ETC and LBP petitions for the ten FCC-designated states. Those states have had the same three Lifeline providers for five years. By designating Q Link in these ten states, Q Link can make a difference, both in

² See *Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38, 31 FCC Rcd. 3962 (2016) ("*Third Report and Order*").

³ In Texas and Maine, which are states in which the FCC now grants ETC designations, Q Link received an ETC designation from those state commissions when those commissions had jurisdiction to grant such designations.

delivering competition and innovation for low-income consumers, and in protecting the Universal Service Fund against abuse.

Service Areas Covered by Q Link's LBP and ETC Applications

Q Link hereby formally amends its LBP Petition to be limited to the areas served by its underlying carriers in Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, Virginia, and the District of Columbia, and only to those areas of those states that are not "Tribal lands," as defined in 47 C.F.R. § 54.400(e).⁴ Q Link also amends the service area for which it seeks ETC designation pursuant to Section 214(e)(6) to match the service areas for which it now seeks LBP designation, which serves to update the areas previously listed for changes in underlying carrier coverage and to ensure that Q Link is only seeking ETC designation for zip codes in which it has 100 percent coverage.⁵

With these amendments, the service areas covered by both the LBP Petition and the ETC Petition are the same and are all wholly within the FCC's jurisdiction. Thus, there is now no issue of usurping state jurisdiction and no issue with respect to notification of Tribal governments on Tribal lands.

Services Q Link Would Provide Pursuant to an ETC Designation

Q Link hereby updates the list of proposed Lifeline offerings in its ETC Petition to meet the mandatory minimum requirements now in effect. These offerings are listed in Attachment A. This is the same list of plans contained in Q Link's LBP Petition, except that if the Commission grants the ETC Petition, Q Link will also offer in these states a plan designated as "Bundled Plan 5," which meets the minimum requirements for standalone voice service.⁶

Compliance with All Lifeline Requirements

Q Link hereby updates the statements in its ETC Petition to make clear that it will comply with all Lifeline requirements, including those promulgated in the *Third Report and Order*, and any subsequent additions or modifications to those requirements.

⁴ Q Link filed a list of the zip codes in which it has 100 percent service coverage in each of these states. *See* Nov. 2, 2016 Supplement. Q Link is reviewing which, if any, zip codes would need to be removed from that list to remove Tribal lands, and requests that any designation be conditioned upon providing USAC with a fully updated list of zip codes that would be 100 percent served.

⁵ *See* ETC Petition at 11.

⁶ *See* LBP Petition at 10-11. Q Link will offer "Bundled Plan 5" only in areas in which it received a state (or federal) ETC designation.

Additional Commitments to Prevent Waste, Fraud, and Abuse

Q Link has implemented market-leading best practices for subscriber identity and eligibility verification, with the result that Q Link has undergone 31 state or USAC audits to date, without a finding of a single duplicate or otherwise ineligible Lifeline subscriber or household. Q Link has codified those best practices into a set of enforceable commitments, set forth in Attachment B. Q Link is willing to accept these commitments as specific conditions of the grant of an ETC or LBP designation covering Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, Virginia, and the District of Columbia.

It is important to emphasize that these commitments reflect Q Link's strong multilayered verification processes, which ensure that there is no single point of failure to permit fraud. Q Link does not provide any sales incentive compensation on Lifeline subscriptions, and does not employ street agents to sign up customers or hand out phones. Q Link dips multiple databases to verify customer identity, address, and, when possible, eligibility. This includes at least three separate NLAD dips during a subscriber's application and fulfillment process. When it is necessary to review physical documents to verify identity or eligibility, those documents undergo three separate reviews to confirm that they adequately confirm identity or eligibility. And Q Link only ships phones to the subscriber's verified home address.

As far as Q Link is aware, no other ETC or LBP petitioner has offered to commit to as stringent a set of anti-waste, fraud, and abuse safeguards. These safeguards provide a basis for prompt action to approve either Q Link's ETC Petition or LBP Petition.

* * *

Q Link respectfully submits that with the amendments and commitments made in this letter, the Commission can be confident that granting Q Link's ETC Petition – which has been pending for 5 years – or its LBP Petition will enhance choice and deliver Lifeline services to more consumers who need it, while at the same time committing to strong, enforceable protections against waste, fraud, and abuse and respecting the division of jurisdictional responsibilities and state authority set forth in Section 214(e).

Sincerely,



John T. Nakahata
Counsel for Q Link Wireless, LLC

cc: Ryan Palmer
Trent Harkrader

Attachment A

Q LINK WIRELESS LLC Terms and Conditions

Data-Only Plan: 500 MB Data

500 MB data per month

Net cost to Lifeline customer: \$0

Bundle Plan 1: 100 Minutes & 500 MB Data

100 anytime minutes per month (no rollover)

Unlimited text messaging

500 MB data per month

Net cost to Lifeline customer: \$5 every 90 days*

Bundle Plan 2: 125 Minutes & 500 MB Data

125 anytime minutes per month (unused minutes rollover)

Text messaging at 8:1 ratio (i.e. 8 texts = 1 minute)

500 MB data per month

Net cost to Lifeline customer: \$5 every 90 days*

Bundle Plan 3: 250 Minutes & 500 MB Data

250 anytime minutes per month (no rollover)

Text messaging at 8:1 ratio (i.e. 8 texts = 1 minute)

500 MB data per month

Net cost to Lifeline customer: \$5 every 90 days*

Bundle Plan 4: 500 Minutes & 500 MB Data

500 anytime minutes per month (no rollover)

Unlimited text messaging

500 MB data per month

Net cost to Lifeline customer: \$15 every 90 days*

Bundle Plan 5: 500 Minutes & 100 MB Data

500 anytime minutes per month (no rollover)

Unlimited text messaging

100 MB data per month

Net cost to Lifeline customer: \$0

All packages include:

- Free data-capable handset, tablet, or hotspot device
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free access to Voicemail, Caller-ID, and Call Waiting features
- Voice minutes may be used for Domestic Long Distance at no extra cost
- Data is at 3G speeds or higher

**Fee waived first 90 days; thereafter, if customer misses payment, customer is automatically moved to the no-cost Data-Only Plan.*

Attachment A

Q LINK WIRELESS LLC Terms and Conditions (Cont'd)

Additional airtime available for purchase:

\$5 = 200 MB data for 30 service days
\$10 = 500 MB data for 30 service days
\$10 = 150 minutes and 250 MB data for 30 service days
\$20 = 500 minutes, 4,000 texts and 250 MB data for 30 service days
\$30 = 1,000 minutes, 8,000 texts and 250 MB data for 30 service days
\$50 = Unlimited minutes, Unlimited texts, and 2 GB data for 30 service days
Text messaging at 8:1 ratio (i.e. 8 texts = 1 minute)

Attachment B

Q LINK ANTI-WASTE, FRAUD AND ABUSE COMMITMENTS FOR LIFELINE SERVICE FOR FCC-DESIGNATED STATES

1. Q Link will not pay any sales commissions or sales incentives on Lifeline enrollment, including for its own employees.
2. Q Link will not use any third-party street agents to conduct Lifeline enrollment.
3. Q Link will ship all handsets for Lifeline service only to the Lifeline applicant's verified home address, and will not ship such a handset to any address other than the Lifeline applicant's verified home address.
4. Q Link will check every Lifeline applicant's address against the USPS and Melissa (or comparable) databases to verify that the address is a bona fide residential address. When such databases indicate that the applicant's address is a multidwelling unit, Q Link will collect and verify the applicant's unit number.
5. Q Link will check every Lifeline applicant name, address, date of birth, and last four digits of the Social Security Number in Lexis/Nexis (or comparable database) to verify that the applicant lives at the address the applicant provided as his or her residential address.
6. Q Link will verify a Lifeline applicant's eligibility against the applicable state eligibility database or National Verifier, where available.
7. Where states do not have an eligibility database and the National Verifier is not operating, Q Link will conduct three separate reviews of the Lifeline applicant's eligibility verification documents (at least one of which may be conducted as the applicant is completing his or her application), with at least one such review conducted by a third-party reviewer not affiliated with Q Link. These reviews will include review of any USAC-required documentation to support a TPIV or IEH override. An applicant must successfully pass all three reviews in order for Q Link to seek Lifeline reimbursement. Q Link will not compensate any reviewer, whether a Q Link employee or third party, based on the number of Lifeline applicants found to be eligible. For the avoidance of doubt, this does not preclude compensation based on the total number of applications reviewed, provided that there is no tie to the result of such reviews (i.e., no tie to whether the review determines the applicant to be eligible or ineligible).
8. Q Link will check every Lifeline applicant against the NLAD database at least once during the Lifeline enrollment process, and again before a handset is shipped to the Lifeline applicant.
9. As part of the Lifeline enrollment process, Q Link will collect and submit to USAC or its designee physical proof of identity and/or a household worksheet whenever such documentation is requested by the NLAD.
10. Q Link will upload a successfully-completed Lifeline applicant's telephone number to NLAD at the time the phone is authorized for shipment to the customer to ensure the subscriber is immediately registered as an ETC subscriber in the NLAD database, preventing duplicate services by other providers.

Attachment B

11. Q Link will not authorize a Lifeline handset to be activated for subscriber use without completing all of the reviews specified by these commitments.

12. Q Link will securely retain documentation required to be retained pursuant to 47 C.F.R. § 54.417(a) for a minimum of seven years, rather than just three years, and will make that information available to the Commission or Administrator upon request for that entire period.